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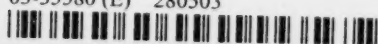
Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Guam

Working paper prepared by the Secretariat

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I. Background information

Geography and population

1. Guam¹ is the southernmost and largest of the Mariana Islands in the Pacific, situated about 1,350 miles south of Tokyo and 3,700 miles west-south-west of Hawaii. It consists of a single island of approximately 212 square miles. It comprises two distinct geological areas of about equal size. The northern part of the island is a high coralline limestone plateau and the southern region is mountainous. Apra Harbour, which is located on the central western side of the island, is one of the largest protected harbours in the Pacific and is considered to be the finest deep water port between Hawaii and the Philippines. The capital city of Guam is Hagåtña, previously known as Agana.

2. According to the United States Census Bureau's official census, the population of Guam in 2000 was 154,805, an increase of 21,653 (16 per cent) since the 1990 census.² According to the census, the ethnic and racial composition of Guam's population is 37 per cent Chamorro (who are indigenous to the Territory). The population from the Freely Associated States (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau) amounts to 11,094 (an increase of 128.18 per cent since 1990), the largest group being Filipinos (40,729), and from other Asian countries, 61,172 (an increase of 30.91 per cent since 1990). The white population was 10,509, a 43.33 per cent decrease since 1990. English and Chamorro are the official languages.

3. Most of the population are Christians, mainly Roman Catholic (90 per cent). Other major religious denominations are Baptist, Seventh-Day Adventist, Latter-Day Saints and Episcopalian. There are some Jews, Buddhists, Muslims and Jehovah's Witnesses.³

II. Constitutional, legal and political issues

A. General

4. Guam was administered by the United States Department of the Navy until 1950, when the United States Congress enacted the Guam Organic Act, which established institutions of local government and made Guam an organized Territory. Since then, the Territory has been administered by the Department of the Interior. Guam is an unincorporated Territory since not all provisions of the United States Constitution apply to the island. As an unincorporated Territory, in United States law Guam is a "possession of the United States but not a part of the United States".

B. Constitutional structure

5. Guam has a locally elected Government, which comprises separate executive, legislative and judicial branches. Universal suffrage with respect to local elections applies to Guamanians 18 years and older. Guamanians are citizens of the United States, but are not eligible to vote in the United States presidential elections while resident in the Territory. The people of Guam elect a Governor, who serves a four-

year term. Guam elected its first Governor in 1970. The Governor is responsible for the general supervision and control of the executive branch and submits an annual report to the Secretary of the Interior for transmission to Congress. The Governor may issue executive orders and regulations, recommend bills to the Legislature, make his views known to that body and veto legislation.

6. The people also elect 15 senators who serve two-year terms in a unicameral Legislature. The Legislature may override the Governor's veto. Under the Organic Act of 1950, the United States Congress reserves the authority to annul any law enacted by the Guam Legislature.

7. In 1972, a new law gave Guam one non-voting delegate to the United States House of Representatives. The delegate, who serves a two-year term, may vote in committee but not on the floor of the House.

C. Legal system

8. The local judicial system is made up of a Superior Court and a Supreme Court led by judges appointed by the Governor and confirmed by the Legislature. Local judges are subject to confirmation by the voters every six years. A District Court judge, appointed by the President of the United States, is the head of the United States District Court for Guam. In 1998, Congress adopted an amendment to the Organic Act allowing the Guam Legislature to elect its own attorney-general in 2002. Douglas Moylan was elected on 5 November 2002 for a four-year term. The Attorney-General is the Chief Legal Officer of the Government of Guam. The Office of the Attorney-General provides legal services to the Government of Guam and is empowered with prosecutorial authority.

9. At the beginning of 2003 a new bill was introduced to the Legislature under the title "An act to re-organize the Judiciary as the third co-equal branch of the Government; to designate the Judicial Council as head of a unified Judiciary; and to amend Titles 7 and 19 of the Guam Code Annotated relative to the Judiciary and its operations".⁴ The Bill would introduce major modifications in the Guam judiciary system and it is currently under examination by the Legislature.

D. Political parties and elections

10. Guam has two main political parties, the Republican Party and the Democratic Party, which are local chapters of the two main United States political parties. In November 2002, Guam held general elections. The Republican candidate, Felix Camacho, defeated former Congressman Robert Underwood by 4,500 votes and was elected Governor. The Democratic candidate, Madeleine Bordallo, was elected as Guam Representative to the United States Congress. In the vote for the Legislature, the Democratic Party won 9 seats, while 6 seats went to the Republican Party. In addition, Guamian citizens also voted to elect the School Board, the Attorney-General and the Consolidated Commission on Utilities and to revise the regulation covering the legal drinking age.⁵

E. Political issues

11. Guam has long been seeking to change its political status relative to the United States. In a 1976 referendum, Guamanians decided to maintain close ties with the United States, but to begin negotiations to improve the Territory's status. In 1979, the people of Guam rejected a draft constitution by a margin of five to one, mainly on the grounds that the question of political status had to be resolved before a meaningful constitution could be drafted.⁶ In a 1982 run-off referendum, 73 per cent of voters opted to pursue commonwealth status with the United States. According to the Commission on Self-Determination, established in 1984 to draft a commonwealth agreement, this status was intended to be an "interim" status that would provide an opportunity for Guam to structure a better relationship with the United States.

12. In May 1986, the Commission on Self-Determination completed a draft Commonwealth Act, which, after a public education campaign, was submitted to an article-by-article vote on 8 August 1987 (see A/AC.109/1192, paras. 19-37). Voters approved the central proposal, but rejected articles empowering the Government of Guam to restrict immigration and granting the indigenous Chamorro people the right to determine the future political status of the Territory. In a further referendum in November 1987, both of these outstanding provisions were approved after they had been amended and rewritten. A summary of the main points in the draft Commonwealth Act is contained in the 2001 working paper (A/AC.109/2001/4).

13. Negotiations between the Guam Commission on Self-Determination and the United States Government over the draft Commonwealth Act began again in 1989 and continued through 1997 without resolution (see A/AC.109/2000/6, paras. 19-22, A/AC.109/1192, paras. 19-37 and A/AC.109/2018, paras. 74-83). According to a statement made by the Governor, Carl T. C. Gutierrez, to the House Resources Committee of the 105th Congress in October 1997, the position of the United States executive branch with regard to the draft Act has essentially been that it was unconstitutional insofar as it did not recognize the plenary authority of Congress over Guam.

14. In 1997, Guam public law 23-147 established a Commission on Decolonization for the Implementation and Exercise of Chamorro Self-Determination. This Commission, in concert with a process of registration of eligible voters by the Guam Election Commission, was to oversee the conduct of a vote on the Chamorro people's status preferences of independence, integration or free association in accordance with international standards.

15. In 2000, the Guam Legislature provided the Guam Election Commission with the power to set the date of the decolonization plebiscite. The plebiscite would ask the Territory's indigenous people, defined by law, as persons or descendants of persons who were in Guam at the time of the United States ratification of the Treaty of Peace with Spain in 1898, and/or persons or descendants of persons who received United States citizenship pursuant to the Organic Act of 1950, to choose between statehood, independence or free association with the United States. The plebiscite would be non-binding but would set the course of any future status negotiations with the administering Power. The plebiscite has been postponed several times since 1997, because of funding problems, and to provide adequate time for the registration of voters and the conduct of an education campaign.

III. Budget

16. Most of the Government's revenues come from hotel occupancy and gross receipt taxes generated by activities in the tourism industry.

17. In the 2002 budget, the Governor proposed that the Government of Guam borrow \$427 million on the bond market for government retirement expenses. According to the Guam Economic Development Authority, this bond would more than double the Government's bond debt from \$407 million to \$834 million and push the island closer to the maximum allowed bond debt of \$1.1 billion set by federal law.⁷ According to press reports, in March 2002 an important credit rating agency downgraded Guam's debt status from the lowest rating in the investment grade category to the category of non-investment. The agency summary attributed the downgrade to Guam's reliance on a weak tourism industry, a deficit of \$99 million and a debt of \$440 million. The Guam Government was reported to comment that this would mean that for every \$100 million that it borrowed, it would cost \$5 to \$10 million in interest payments.⁸

18. In March 2002 the press reported that the Governor of Guam issued an alarming warning that the Territory would face bankruptcy by the end of the current fiscal year unless it cut wages and increased taxes on goods and services. Since the local legislature rejected the proposal, the Governor proposed to lay off public workers instead. The Legislature responded by passing a bill that restricted the Governor's powers and prevented the lay-offs.⁹

19. According to press reports, total revenue had been declining during 2002. For example, revenues declined by 26 per cent, from \$33 million in May 2001 to \$24 million a year later. The Government of Guam was also expected to overspend its fiscal 2002 budget by \$100 million. Of the current budget, 91 per cent was dedicated to personnel. The new Government announced that it expected to manage the fiscal crisis through an aggressive tax collection and federal aid that could help to manage the cash shortages without laying off employees.

20. In the 2004 budget for the Office of Insular Affairs, the United States Government included \$15 million for mitigation aid to Guam, the Commonwealth of the Northern Mariana Islands and Hawaii.¹⁰ In addition, in October 2002, Guam received \$49 million as its annual share of federal funds. The money came from the collection of federal taxes from soldiers and federal employees who live and work in Guam. In December 2002, the Department of the Interior warned that the level of economic assistance that each United States Territory would receive from the Department would be determined in part by the "strength and independence" of its public auditor's office. Additionally, the responsiveness in addressing issues raised in audits would be considered in the process of awarding discretionary grants to these Governments and to other island grant recipients.¹¹

21. At the beginning of 2003, Guam and the Northern Marianas established a regional partnership to improve their capacity to lobby for federal United States funds.¹²

22. During 2002, a number of cases of corruption and mismanagement of public funds by public officers were reported. Two government officials were indicted on fraud, extortion and other charges in two separate cases while the airport agency underwent scrutiny for alleged abuses in spending of public funds.

23. In January, a federal court sentenced a former officer of the Department of Parks and Recreation to 10 years in prison. Among the charges, there were bid-rigging, bribery, wire fraud and money laundering in relation to the supertyphoon Paka recovery projects in 1998. According to press reports, one officer accepted more than \$100,000 in kickbacks. In July, two officers were accused of using their official positions to extort money from two businesses seeking authorization for development projects. The officers will stand trial in February 2003 on a 22-count indictment that includes charges of conspiracy to commit wire fraud, misapplication of government agency funds, and extortion.

24. In November, the Public Auditor discovered alleged abuses in the spending of public funds by the airport agency and some of the agency officials. In particular, the audit found unjustified travel expenses that caused an increase in spending on business travelling to more than \$1 million during two years, from just \$97,000 in 1999.

25. According to press reports, in the past year the Office of the Public Auditor also examined the books of the Guam Housing Corporation, the Department of Administration, the Guam International Airport Authority and the Department of Corrections, and has found questionable payments or actions by the Guam Memorial Hospital Authority, the Government of Guam Retirement Fund and the Department of Land Management.¹³

IV. Economy

A. General

26. The Guam economy is dominated by tourism, while the public sector (including the United States military) and construction remain important. Farming and fishing are relatively well developed. Vegetables, citrus and tropical fruits, coconuts and sugar cane are grown and livestock, especially poultry, is raised. Manufacturing includes textiles, cement and plastics.¹⁴

27. During 2002, the economy of Guam faced different problems. In particular, the tourism industry suffered from economic slowdown and natural disasters. The industry had recorded a 30 per cent decline in January 2002 caused by the September 2001 events. In the first part of 2002, it was showing signs of recovery when typhoon Chata'an struck the island in July, causing extensive damage. Five months later, supertyphoon Pongsona damaged and destroyed tourism infrastructure and many homes and buildings. As a consequence, tourist arrivals stopped altogether while business and consumer activities slowed because power, water and telecommunications infrastructure were interrupted. An economic recovery is expected in 2003 as various forms of financial aid from the federal government and charities reach the Territory. The construction sector should mainly benefit from the rebuilding of damaged properties.¹⁵

28. According to the August 2001 Economic Report on Guam by the Bank of Hawaii, since 1999 the flow of public information on the economy has been limited severely, thus affecting the capacity of both the public and private sectors to make informed decisions. Among the causes of poor availability of economic data are the

dismantling of the Guam Finance Commission and the lack of experienced staff in the Government of Guam.

29. The economy is still affected by the 1995 decision to shut down some military facilities on the island. During 2002, there have been some meetings with civilian and military leaders about a potential increase in military activity on Guam.¹⁶ During these meetings, the Government of Guam showed renewed interest in receiving help from military investments. The representative of Guam to the United States Congress was reported as saying that "Whatever thoughts we had about the military years ago, those attitudes have changed. We have learned that we may not be able to ride on tourism alone, we need something else. We are very anxiously looking to an increase of military activity in Guam".¹⁷

30. During the year, new military equipment was deployed on the island (see paras. 52-54). In early December 2002, the President of the United States signed into law a bill that set aside \$75 million for military construction projects on Guam for fiscal 2003. The amount is an increase from the \$66 million in military construction projects for Guam in the previous year. The \$75 million budget included \$6.9 million for the third phase of the Army National Guard Readiness Center, \$15.6 million for an off-base water supply for Andersen Air Force Base and \$16 million for a new fitness centre at Andersen.¹⁸

31. Guam is a duty-free port that facilitates the movement of raw materials for manufacturing. It also participates in two major trade programmes designed to promote export-oriented manufacturing: the Harmonized Tariff Schedule of the United States and the Generalized System of Preferences. Nonetheless, the Territory consistently records a trade deficit. The Department of Commerce reported a steady decline in the value of Guam's total exports. The total value was \$86.4 million in 1998, \$75.7 million in 1999, \$73.5 million in 2000 and only \$60.8 million in 2001. The main recipient of Guam exports was Japan with a total value of \$30.4 million in 2001. Major export commodities are fish and crustaceans, mineral fuels, oils and waxes, tobacco and manufactured tobacco substitutes and automobiles. Imports were valued at \$44.6 million for January 2001, \$38.4 million for April 2001, \$50 million for July 2001 and \$34.6 million for October 2001.¹⁹

B. Primary economic sectors

1. Agriculture and fisheries

32. The agriculture and fisheries sector has played a small role in the economy of Guam, accounting for less than 1 per cent of total private sector employment. The fishing industry, which began a major expansion in the late 1980s, continued to be important within the sector. According to the latest available figures compiled by the Department of Commerce in 1999, the dollar value of agricultural products, including fruits and vegetables, was \$3,323,039.²⁰

2. Manufacturing/industry

33. One of the major industries on Guam, and the third most important economic sector (after tourism and the public sector), is construction. Construction as a generator of employment remains significantly above the average for the United States, although it has been declining during the last decade. According to estimates

of the Department of Public Works, in 2001 the Department issued 1,030 construction permits for a value of \$117,043.²¹

34. In the future, the sector should benefit from the increase in military spending and from reconstruction works after the typhoons. According to press reports, increased business from the military could mean new jobs for the island economy. As an example, a company that obtained military contracts for \$70 million in 2002 was expected to hire as many as 700 people.²² In relation to reconstruction projects, analysts suggested that "it is probably going to be the biggest construction injection into the economy since the early 1990s hotel construction boom".²³

3. Tourism

35. Guam's tourist industry as well as much of its economy is dependent on Japanese tourism. In 2001, 80.2 per cent of tourists to Guam came from Japan, 8 per cent from the Republic of Korea, and only 3.7 per cent from Hawaii and the mainland United States combined.²⁴

36. In 2002, the tourist industry confirmed its dependency on the Japanese market. According to the Visitors Bureau, December's supertyphoon would cost \$45 million in lost tourism spending from Japan alone. In addition, because of Japan's long-running economic stagnation in 2002, the average Japanese tourist in Guam spent \$676, compared to \$1,500 average spent in 1990. According to the new Governor, Guam wishes to open a new market for tourists from China. The new Governor said that "We are working to establish a Guam-only visa for China, the same kind of visa given to Japanese and Koreans". Under a visa waiver system, citizens of 14 Asian countries board flights to Guam only without visas, filling out landing cards on board.²⁵

37. Guam had a total of 10,084 hotel rooms in 2001, an increase of 65 per cent since 1991. The December 2002 typhoon caused at least \$100 million damage to hotels and government-run utilities and pushed two Japanese-owned hotels into bankruptcy: the Guam Fujita and the Okura Island Inn. Two other hotels closed as a result of the 11 September travel downturn. The four closings have reduced hotel rooms by almost 10 per cent and reflect occupancy rates that slumped to 57 per cent last year, from 87 per cent in 1995. In 2000, \$18.8 million was collected in hotel occupancy taxes.²⁶

C. Finance

38. According to the Department of Commerce, bank deposits were at \$1.5 million in 2001. Bank loans decreased from the 2000 figure of \$2.97 million in 2000 to \$2.78 million in 2001.²⁷

International finance

39. The Government of Guam has adopted policies and laws with a view to establishing Guam as a financial service centre in the Pacific. In July 2000, the Governor signed the Guam-Based Trust Companies Act (public law 25-149), which clarified the definition of Guam-based trusts in order to provide confidence for potential investors as well as federal regulatory bodies. The law made it clear that, as Guam's banking system was regulated by both federal and local law, business

entities in Guam would have to file tax returns, unlike in other domiciles that have been labelled tax havens.²⁸

40. As a result of the Guam-based trust initiative, 42 special qualifying certificates have been issued and 14 are still pending, representing a total of \$198.8 million, which is expected to add \$2.3 million annually to Guam's revenue. The trusts generate revenue for the Government of Guam despite the fact that 100 per cent of taxes on income are rebated to the trust. According to the new law, the Government holds tax revenues for 180 days. The interest accrued during that time is retained by Guam, and the initial tax levied is subsequently rebated in its entirety to the trust. The law also requires the trust's administration to be in Guam.²⁹

D. Transport and communications

41. According to the Governor in his annual address,³⁰ the system of public roadways has undergone considerable improvement, relieving traffic congestion and providing benefits for small businesses and residents. In February 2001, the Governor initiated an island-wide transportation master plan that will involve several relevant government agencies. One of the tasks of the plan's implementers will be to determine whether to leverage annual federal highway funds and other grants to finance a massive overhaul of all main roads and transportation systems. This project, expected to cost \$150 million, would also improve road safety and lower long-term maintenance costs. In November 2002, the United States Department of Transportation released \$5.5 million in Federal Highway Administration Emergency Relief Funds for Guam. Guam will receive \$368,000 for the repair and reconstruction of damages on Route 4 in the As-Alonso area caused by the 2001 earthquake, and \$5,311,000 for highway repair and reconstruction for damage caused by typhoon Chata'an in 2002.³¹

42. The Port Authority of Guam administers the commercial port facilities at Apra Harbour. The Port Authority is a public corporation and an autonomous agency of the Government of Guam. Guam's port is a major trans-shipment centre of the western Pacific and is equipped to move containerized bulk and tuna cargo efficiently. The port has, in recent years, seen an average annual increase of 23 per cent in cargo. The Port Authority is expanding its container yard and is planning to spend \$100 million in reconstruction activities up to the year 2005. In November 2002, Security Bill S.1214 required United States seaports to develop security plans and authorized \$415 million in a discretionary grant. Guam will be eligible to apply for part of these funds.

43. The refurbishment of the Guam International Airport's runway system began in 2002. The first phase of the federally funded runway extension and renovation project is launched to extend the length of the two runways and to build a new taxiway to add safety to the airport. The whole project was expected to last two years and cost \$20 million.³² At present, Guam International Airport is the most modern in the western Pacific.³³ In May 2002, Philippines Airlines announced that it would operate new flights three times a week from Manila to Guam International Airport.³⁴ In December 2002, Northwest Airlines announced that it would temporarily suspend its service to Guam after the supertyphoon Pongsona severely damaged the airport.³⁵

44. RCA Global Communications and IT&E handle cablegrams, facsimile and telex messages and overseas telephone calls. At the beginning of 2003, a local company launched an online text service to enable Global System for Mobile Communications (GSM) mobile communications between users in Guam and the Philippines at a cost of \$0.05 per message.³⁶ The United States Postal Service handles mail delivery. Commercial mail delivery is also available through Federal Express and DHL. Guam has a daily newspaper, a newspaper published three times a week, several weekly and monthly commercial publications and military journals. According to the Federal Communications Commission, there are currently 11 FM and 2 AM radio channels, 3 local television channels and one cable television service provider. Two major radio stations had to interrupt service after the supertyphoon Pongsona hit the Territory.³⁷

45. High-technology communications may represent an emerging growth sector for Guam. The Governor and Legislature have made information technologies a priority as part of a general effort to diversify the economy. Guam serves as major telecommunications hub for the Asia/Pacific rim.

46. The Government of Guam is currently privatizing the Guam Telephone Authority (GTA). In January 2002, the Government organized a privatization bidder conference.

47. According to the Department of Commerce, there were 70,769 primary telephone lines registered in 2001. Of these, 42,849 were residential lines and 27,920 were business lines. Telephone Authority revenue in the first three quarters of 2001 amounted to \$18.3 million.

E. Water system, sanitation and utilities

48. Approximately 74 per cent of the water supply is provided by the Guam Waterworks Authority. The remainder is produced by the Air Force and Navy installations on Guam. The Government's water sources are groundwater and surface water (Ugum River). The Navy water source is a surface reservoir (Fena Lake) in the southern part of the island. The state of the water and sewerage system is poor. Leaks are frequent, posing significant health and environmental problems and inhibiting development.³⁸

49. According to press reports, during 2002 the Territory experienced several water shortages, notices to boil water and sewage overflows. Public and private schools, as well as the University of Guam and Guam Community College, had to cancel classes because of water shortages. The Navy had problems processing water from Fena Lake to meet new United States Environmental Protection Agency drinking water standards. In December, the United States Government filed a complaint against the Waterworks Authority and the Government of Guam for repeated violations of the federal clean water and safe drinking water acts.³⁹

50. Nevertheless some improvements to the island's water system were made. The Waterworks Authority created an education programme for employees, a team of water and wastewater experts assessed the utility capacity and in November 2002 the island elected its first Consolidated Commission on Utilities. The Commission oversees the operations of Waterworks and the Guam Power Authority. In December

2002, the Commission asked Waterworks managers to resign by January to appoint new ones.⁴⁰

51. The Guam Power Authority, an autonomous agency of the Government of Guam, is responsible for providing electricity throughout the island.

V. Military issues

52. Guam was administered by the United States Navy until 1950, and remains the site of extensive United States naval and air force installations. Petroleum storage, munitions stowage, extensive communications facilities and other service industries that cater to the military establishment form the basis of the military infrastructure in Guam.

53. The United States military presence and spending on Guam has decreased considerably during the last decade. In 2000, the Navy had about 4,000 military personnel, about 4,000 dependants and 2,000-3,000 contract civilian workers. The Air Force had about 1,800 military personnel, almost 2,200 dependants and less than 400 civilian workers.⁴¹ In March 2001, a survey conducted by the Guam Chamber of Commerce reported that 83 per cent of Guam's 445 registered voters supported an increase in military activity in Guam and agreed that it made "a positive contribution to Guam".⁴² During the review period, the United States Navy transferred two Los Angeles class, fast-attack nuclear submarines in Guam, the *USS Corpus Christi* and the *USS San Francisco*. A third submarine is expected to reach Guam early in 2003. Relocation of these submarines will add more Navy personnel to the base at Guam. The personnel of three submarines and the "submarine tender", the *USS Frank Cable*, which can perform nuclear vessel repairs, totals 650 persons.⁴³

54. At the beginning of 2003, the United States Department of Defense deployed 24 long-range strategic bombers to Guam.⁴⁴

VI. Land issues

55. As reported in previous working papers, the question of land use and ownership is a major and ongoing consideration on Guam. This question comprises two major issues: (a) the return of unused or underutilized lands held by the Department of Defense; and (b) the return of these lands to the original Chamorro landowners. The United States Government, principally its Department of Defense, currently holds title under United States law to over one third of the island. This land was condemned and acquired from private landowners by the Department of Defense during the years following the Second World War, when Guam was under the administration of the United States military, initially on a year-to-year lease between 1945 and 1950 and subsequently acquired by the United States Government through eminent domain procedures after the extension of citizenship. In 1994, Congress passed the Guam Excess Lands Act (public law 103-339) to return 3,200 acres to the people of Guam, which has begun to be implemented.

VII. Social conditions

A. General

56. The people of Guam are eligible to receive benefits under a variety of federal programmes, including Social Security, Medicare, aid to families with dependent children, aid to the blind, general assistance, old age assistance, aid to the permanently and totally disabled, food stamps and Medicaid. Territories, like states, may choose not to participate in grant programmes. Participation in these programmes requires accepting federal rules and guidelines and sometimes matching federal expenditures with local expenditures. In the case of Guam, such participation in addition to "matching federal expenditures with local expenditures" requires that the Government of Guam pay nearly 80 per cent for many of the aforementioned programmes.

57. In the absence of a Medicaid match (along with its federal requirements) Guam has established the Medically Indigent Program, fully funded by the Territory. This programme's cost in fiscal year 2001 was over \$25 million.

58. According to the 2001 census, 23 per cent of the population was living under the poverty line. Indicators of social assistance have been rising in recent years. According to the United States Food and Nutrition Service, participation in the food stamp programme rose from a monthly average of 5,609 households (17,783 individuals) in 1997 to 7,024 households (22,809 individuals) in 2001. The corresponding expenditures were \$27.18 million and \$35.88 million. In addition, the average monthly benefit per person rose from \$127.38 in 1997 to \$136.32 in 2001.⁴⁵

B. Labour

1. General

59. According to the Guam Department of Labor, between June 2001 and June 2002 Guam's private sector lost about 4,000 jobs and shrank to 39,490 because of lay-offs and business closures. The island's unemployment rate was at 13.5 per cent in 2001.⁴⁶

60. In 2001, over a quarter (28 per cent) of the workforce was in the service sector, of which over a third worked in hotels and other lodging places. The retail trade sector employed 20 per cent of the workforce, transportation and public utilities accounted for another 8 per cent, the construction sector for 7 per cent and the financial sector for 4 per cent. The rest of private sector employment is made up of wholesale trade (3.3 per cent), manufacturing (2.6 per cent) and agriculture (less than 1 per cent).

2. Public service

61. Both the Government of Guam and the United States Federal Government in Guam undertook substantial downsizing measures in 2000. The Government of Guam undertook a buyout and early retirement programme, while the federal Government began outsourcing functions to private contractors. As a result, employment by the Government of Guam declined by 7.2 per cent from 13,540 to 12,560 jobs in fiscal year 2000. Federal jobs declined by 30.0 per cent, from 4,530

to 3,170 jobs in the same time period. The government sector now accounts for just over 26 per cent of total civilian employment.

C. Education

62. Guam has an extensive public and private education system. The public education system includes the University of Guam, the Guam Community College, four public high schools, seven middle schools, and 27 elementary schools. The private system includes two business colleges, five high schools and several elementary schools. Most of these are affiliated with Roman Catholic and Protestant religious denominations. A new bill, the Guam Charter School Act, allowed the establishment of private charter schools independent from the Department of Education.⁴⁷

63. The 2002 budget provided about \$139 million to the Department of Education. Of this amount, about \$133 million was allocated for personnel services expenses and \$5.5 million for utilities. During the year, the Department as a whole overspent its budget by \$4.5 million.⁴⁸

64. For the school year 2002-2003, the Department of Education reported that 9,081 students were enrolled in high school, 7,554 in middle school and 14,705 in elementary school. According to press reports, in 2002 the Department faced a number of problems including lack of air conditioning, lost school days, low test scores and lack of certified teachers.⁴⁹

65. In July 2002, the Western Association of Schools and Colleges removed the University of Guam's probationary status and reaffirmed its accreditation. The University was placed on academic probation in July 2000, when it was found not to have adequate library facilities or adequate financing.⁵⁰

66. At the beginning of 2003, the Government announced a cost-saving plan for the Department of Education that would save about \$410 million. As part of the plan, the Department will furlough 1,177 non-teaching employees for four weeks during the summer.⁵¹

D. Public health

67. According to the World Health Organization,⁵² the people of Guam enjoy a healthy status. Infant and maternal mortality rates are low. Virtually all births take place in a medical setting and most pregnant women receive prenatal care from a trained health-care worker during pregnancy. Illnesses that contribute to population morbidity and mortality are generally related to lifestyle. However, a reduction in human and financial resources has severely impacted the health system in Guam. In addition, the early retirement programme resulted in a decrease in experienced health workers.

68. The United States Centers for Disease Control reported that in 2001 there were 59 people living with the human immunodeficiency virus (HIV) and 32 with acquired immunodeficiency syndrome (AIDS). The rate of AIDS cases had decreased between 2000 and 2001 from 8.4 per 100,000 to 7.6 per 100,000 inhabitants.⁵³

69. Guam has a 192-bed hospital, the Guam Memorial Hospital, and a United States Naval Hospital that serves military personnel and their dependants. In the mid-1990s, there were around 140 physicians and 30 dentists on Guam.

E. Immigration

70. A major issue in the federal Government's relations with Guam is the migration from the Freely Associated States of the Marshall Islands, Micronesia (Federated States of) and Palau. The Compact of Free Association Act of 1985, which established the relationship between the United States and the Federated States of Micronesia, and the Marshall Islands, authorized unrestricted migration from those Pacific island nations to the Territories and possessions. That enabled citizens of those islands to enter Guam and to lawfully engage in occupations as non-immigrant aliens.⁵⁴ These immigrants and their American-born children have settled in Guam, Hawaii and the Northern Mariana Islands. This has strained the resources of the recipient states and Territories.

71. In order to reimburse Guam and other compact Territories for the cost of providing government services for regional immigrants, the federal Government has issued compact impact funding. It was reported that in 2002 Guam would receive \$6.38 million from the federal Government to compensate it for costs incurred as a result of unregulated immigration from Micronesia.⁵⁵

72. In addition, the immigration policies currently applied to Guam have resulted in a considerable growth in migration from countries, particularly the Philippines, into Guam. The 2000 census indicated that, while the Chamorro population stood at 65,243, the non-Chamorro population was 86,798.

F. Human rights and related issues

73. The question of human rights in Guam is mostly centred on the rights of indigenous peoples. The 2000 census revealed that more than half the population of Guam consisted of immigrants. One effect of significant recent immigration to the Territory has been to raise the awareness of the Chamorros' rights within the framework of Guam's status as a Non-Self-Governing Territory and as an indigenous people.

74. The question of a recognized separate identity for the Chamorros impinges on the question of self-determination that was included in the Commonwealth Act and in the Guam laws providing for a process of determining the preference for a decolonized status. Both the Commonwealth Act and the above-mentioned laws establish requirements for the eligibility to vote that correspond with the United States assumption of sovereignty in Guam. The United States opposes any restriction on eligibility to participate in Guam's self-determination process, arguing that the right of self-determination must be exercised by all the people of Guam, and that any limitation would violate the right for equal treatment under the law which is guaranteed by the United States Constitution. Under United States law, this equal protection requirement extends to any United States citizen who is resident in Guam for 30 days.

VIII. Environment

75. Guam continues to experience environmental problems related to the United States occupation during the Second World War (see A/AC.109/2001/4, para. 83). In January 2002, the Navy agreed to pay \$42,000 in fines and spend \$380,000 to improve its waste management, after the United States Environmental Protection Agency found that the Navy Public Works Center had handled hazardous waste poorly in the year 2000.⁵⁶

IX. Relations with international organizations and entities

A. United Nations system

76. Guam is an associate member of the Economic and Social Commission for Asia and the Pacific. The World Health Organization carries out training projects in Guam. In addition, Guam has been involved in the Multilateral High-level Conferences on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific, which originated under the United Nations Convention on the Law of the Sea and related conventions.

77. In 2002, representatives of Guam were invited to participate as observers, without the right to vote, in the deliberations of the World Summit on Sustainable Development in Johannesburg.⁵⁷

B. Regional organizations and entities

78. Guam is a member of the secretariat of the Pacific Community, a 27-member organization dedicated to providing technical advice, assistance, training and research to promote the development of its members.

X. Future status of the Territory

A. Position of the territorial Government

79. In a statement to the Caribbean Regional Seminar, held in Havana, Cuba, from 23 to 25 May 2001, the Governor of Guam, Carl T. C. Gutierrez, expressed the hope that discussions on the question of Guam could commence as they had with American Samoa.

80. The Governor of Guam stated that, as the United Nations embarked on its Second International Decade for the Eradication of Colonialism, he was sure that the people in all the Non-Self-Governing Territories would agree that there was no substitute for their views when deciding their futures. It was also critical that full self-government be the objective of all efforts to remove a Territory from the list of Non-Self-Governing Territories. De-listing without achieving full self-government would simply push the issue of self-governance on to future generations. He said that Guamanians were Americans and they generally viewed their citizenship and the United States military interests in Guam as integral parts of their lives. Their goal was more meaningful participation in their relationship with the United States,

to have more say in the laws, rules and regulations that governed them. Unfortunately, the United States Constitution, with all its liberties, was not written with America's small offshore islands in mind. He stood before the Seminar as a proud American, saved from the hells of war and carried from a concentration camp by an American soldier. Nothing could erase from his mind and soul the real freedom that was represented by the United States.

81. The people of Guam only wished to educate their fellow Americans about their desire for more meaningful participation and would continue to carry that message to the United States Government. Guam supported United States regional military activity on its territory. Such support was grounded in their own experiences; they knew what it was to be vulnerable and they enjoyed the security and protection of being part of the United States. Over the past decade, however, the United States military's impact on Guam's economy had been greatly reduced, from more than 8,000 civilian employees in 1992 to less than 2,000 currently. Up to 10,000 Chamorros had left their homeland in Guam as a direct and indirect result of those changes.

82. The Governor concluded his statement by urging the Special Committee to keep the playing field level between the world's largest nations and the world's smallest jurisdictions. On a level playing field, the agreements reached would be stronger and more likely to be lasting. He thanked the Special Committee for its work on the resolution adopted in 2000. It correctly defined the nature of their current discussions with the United States. It accurately reflected an end to discussions on a "commonwealth" and the directives under Guam law for a decolonization vote. Those were important clarifications and they appreciated the fact that those changes were endorsed by the General Assembly.

B. Position of the administering Power

83. In a statement made at the 73rd plenary meeting of the General Assembly on 11 December 2002 (see A/57/PV.73), a representative of the United States said that the United States could not support the draft resolution on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By adopting a narrow definition of decolonization, the draft resolution failed to take into account the complex reality of Non-Self-Governing Territories. For the United States, the very term "non-self-governing" seemed inappropriate for those who were able to establish their own constitution, elect their own public officers, have representation in Washington and choose their own economic path. He noted that one of the Territories under United States administration had just held elections in November 2002. Moreover, he said, the United States disagreed with the contention in the draft resolution that the mere presence of military activities and bases in the Non-Self-Governing Territories was harmful to the rights and interests of the peoples of those Territories. The United States did not support the notion that administering Powers did not have the right to take actions in accordance with their national security interests.

84. The United States was fully supportive when countries chose independence and was proud to welcome them as equal and sovereign partners. For Territories that did not choose independence, however, the United States also supported the right of people in those Territories to a full measure of self-government, including the rights to integration and free association. The world encompassed a variety of peoples, places and political circumstances, and that richness did not allow for just one path. The United States

believed that a single standard of decolonization should not be applied to every Territory, and it called upon all Member States to respect the choices made by residents of Non-Self-Governing Territories.

C. Consideration by the United Nations

85. On 11 December 2002, the General Assembly adopted without a vote resolutions 57/138 A and B. Section VI of resolution 57/138 B, a consolidated resolution on 11 Non-Self-Governing Territories, is devoted specifically to Guam.

Notes

- ¹ The information contained in the present working paper was derived from published sources, including Internet sites.
- ² *Pacific Daily News*, 9 February 2002.
- ³ Department of the Interior, Office of Insular Affairs, *Fact Sheet*, 1998.
- ⁴ <http://www.guamsupremecourt.com>
- ⁵ BBC Monitoring Asia Pacific, 6 November 2002; "Camacho wins election", www.guampdn.com/news/index.html
- ⁶ *Governing Guam Before and After the War*, Guam Political Status Education Coordination Committee, Agaña, Guam, 1994, p. 137.
- ⁷ *Pacific Daily News*, 22 January 2002.
- ⁸ BBC Monitoring Asia Pacific, 27 March 2002.
- ⁹ BBC Monitoring Asia Pacific, 20 March 2002.
- ¹⁰ Administration proposes FY 2004 Budget for Islands, www.doi.gov
- ¹¹ *Samoa News*, 4 December 2002.
- ¹² BBC Monitoring Asia Pacific, 13 January 2003.
- ¹³ *Pacific Daily News*, Year in Review 2002, www.guampdn.com
- ¹⁴ *Encarta Online Deluxe* (www.encarta.com.au), "Guam".
- ¹⁵ *Pacific Daily News*, Year in Review 2002, www.guampdn.com
- ¹⁶ *Pacific Daily News*, 9 January 2002.
- ¹⁷ *The New York Times*, 10 March 2003, "Guam, Hurt by Slump, Hopes for Economic Help from Military".
- ¹⁸ *Pacific Daily News*, Year in Review 2002, www.guampdn.com
- ¹⁹ Guam Economic Review, Economic Research Center, Guam Department of Commerce, October-December 2001, www.admin.gov.gu/commerce
- ²⁰ www.admin.gov.gu/commerce
- ²¹ *Ibid.*, "Construction Sector".
- ²² *Pacific Daily News*, Year in Review 2002, "Military", www.guampdn.com
- ²³ *Ibid.*, "Economy".
- ²⁴ Guam Visitors Bureau, Department of Commerce, www.admin.gov.gu/commerce

- ²⁵ *The New York Times*, 23 March 2003, "Guam Takes Steps to Reverse Setbacks".
- ²⁶ Guam Visitors Bureau, Department of Commerce, www.admin.gov.gu/commerce
- ²⁷ *Ibid.*, Financial Service Sector.
- ²⁸ *Pacific Daily News*, 6 July 2000.
- ²⁹ "Developing Guam", Guam Economic Development Authority, Third Quarter Report, 2000, vol. 1, issue 3.
- ³⁰ State of Our Island Address, Carl T. C. Gutierrez, Governor of Guam, 3 February 2001.
- ³¹ News release, Congressman Underwood, 15 September 2001.
- ³² *Pacific Daily News*, 2 January 2002.
- ³³ Bank of Hawaii, Economic Report on Guam, August 2001.
- ³⁴ BBC Monitoring Asia Pacific, 17 June 2002.
- ³⁵ BBC Monitoring Asia Pacific, 18 December 2002.
- ³⁶ BBC Monitoring Asia Pacific, 20 March 2003.
- ³⁷ BBC Monitoring Asia Pacific, 16 December 2002.
- ³⁸ *Pacific Daily News*, 10 December 2001.
- ³⁹ *Pacific Daily News*, Year in Review 2002, "Water Contamination, Pressure Woes", www.guampdn.com
- ⁴⁰ *Ibid.*
- ⁴¹ Bank of Hawaii, Economic Report on Guam, August 2001.
- ⁴² *Pacific Daily News*, 21 March 2001.
- ⁴³ *Pacific Daily News*, Year in Review 2002, "Military Construction Projects Soar", www.guampdn.com; News release, Congressman Underwood, 13 June 2001.
- ⁴⁴ BBC Monitoring Asia Pacific, 28 March 2003.
- ⁴⁵ Food and Nutrition Service web page (www.fns.usda.gov/pd/fspmain.htm).
- ⁴⁶ *Pacific Daily News*, Year in Review 2002, www.guampdn.com
- ⁴⁷ *Pacific Daily News*, 30 January 2002.
- ⁴⁸ www.doe.edu.gu
- ⁴⁹ *Pacific Daily News*, Year in Review 2002, "Education", www.guampdn.com
- ⁵⁰ www.uog.edu/Accreditation.html
- ⁵¹ *Pacific Daily News*, 10 April 2003.
- ⁵² www.wpro.who.int, country profiles, Guam.
- ⁵³ United States Department of Health and Human Services, Centers for Disease Control and Prevention, *HIV/AIDS Surveillance Report*, vol. 13, No. 2, December 2001 (www.cdc.gov/hiv/stats/hasr1302.pdf).
- ⁵⁴ United States Department of the Interior, Office of Insular Affairs, *Report on the State of the Islands, 1999*, chap. 4.
- ⁵⁵ News release, Congressman Underwood, 12 October 2001.
- ⁵⁶ *Pacific Daily News*, 11 January 2002.
- ⁵⁷ *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum).